

**Remarks/Arguments:**

**§ 112 Rejections**

The Office Action rejects claim 1 under 35 U.S.C. § 112 for a number of reasons, each of which is addressed below:

(a) Claim 1 has been amended to replace the term "mark" with the term --trademark--, but the applicant emphasizes that the term "trademark" as used herein is intended to be given its most broad interpretation to include trademarks applied to goods, service marks, collective marks, membership marks, and certification marks, all of which generally may be referred to as "trademarks."

(b) The Office Action asks for clarification as to whether sub-elements (i-v) in section (c) are conjunctive or disjunctive. To the extent that the portfolio of IP audited in a particular situation includes a particular type of IP, the sub-element relating to that type of IP would need to be present to be anticipated. For example, if the audited IP portfolio includes only patents, then only element (c)(i) would need to be present. If the audited IP portfolio includes patents, trademarks, and copyrights, then elements (c)(i-iii) would all need to be present. It should be noted that an entity may choose to have a portfolio of IP audited comprising less than all of its IP holdings.

(c) The term "relevant" has been deleted from the claim.

It is respectfully submitted that the above clarifications and amendments overcome each of the rejections under 35 U.S.C. § 112.

**§ 102 Rejection**

The Office Action rejects claim 1 under 35 U.S.C. § 102(e) as being anticipated by Donner (U.S. 6,154,725). The applicant respectfully disagrees. The applicant's method includes the steps of

- (i) for each audited patent, conducting a patent or publication search to identify prior art, and *analyzing claims of the audited patent with respect to the identified prior art*;
- (ii) for each audited trademark, conducting a search identify any references owned by others and *analyzing the audited trademark against the identified references for a likelihood of confusion*;
- (iii) for each audited copyright for a work, *determining if the copyrighted work is an original work*;
- (iv) for each audited trade secret relating to information, determining if the information is properly protected as a trade secret and if proper steps to safeguard the information have been taken;

- (v) for each audited domain name, determining whether the domain name violates anti-cybersquatting rules or is subject to a dispute because of trademark rights of a third party;

The applicant respectfully submits that the Donner patent does not teach or suggest the above method steps. Donner does not teach or suggest providing the analysis or determinations claimed by the applicant for any of the listed types of IP. It is this set of analysis/determinations that distinguishes applicant's invention from previously disclosed methods. Although Donner discloses collection of data from online databases for a number of analytical purposes for each of the types of IP discussed in Donner (patents, trademarks, and copyrights only), Donner does not describe analyzing claims of an audited patent with respect to identified prior art, analyzing audited trademarks against identified references for a likelihood of confusion, or determining if copyrighted works are original works.

Additionally, even the office action concedes that Donner does not explicitly teach the steps of preparing an income statement or balance sheet, as evidenced by the combination of Donner with Horngren as an alternative § 103 rejection in which the Office Action indicates its "principle position" that "financial statements such as balance sheets are inherent in any corporation." While such financial statements and balance sheets generally may be a part of any corporation, nowhere does Donner disclose preparing an income statement of balance sheet reflective of each IP asset, as claimed by the applicant.

Because Donner fails to teach or suggest each and every limitation recited in the claimed invention, this rejection must be withdrawn.

#### § 103 Rejection

The Office Action rejects claim 1 under 35 U.S.C. § 103(a) as being unpatentable over Pavri in view of Horngren. The applicant respectfully traverses this rejection and respectfully requests reconsideration in light of the amendments and remarks herein.

Again, the Office Action concedes that "Pavri does not directly disclose issuing an opinion certifying that one or more IP assets and corresponding tangible values are fairly stated in accordance with generally accepted accounting principles." The Office Action also again cites Horngren for the proposition that the "balance sheets and income statements fairly state assets and/or corresponding tangible values of assets in accordance with general [sic] generally accepted accounting principles." The applicant does not dispute that truth of this statement in the majority of cases, nor does the applicant dispute that the contents of Horngren would be basic knowledge to one of ordinary skill in the art. What the applicant does dispute is that there is any suggestion in Holmgren to *issue an opinion certifying that IP assets and corresponding tangible values* are fairly stated, when Holmgren does not teach *auditing IP assets* at all. Even Parvi indicates on p. 9 that he is introducing "one or more of the more commonly used techniques of valuing intellectual property per se, *as distinct from the valuation of the business enterprise as a whole.*" (Emphasis added).

The applicant's invention is, in part, to audit intellectual property in the same manner in which a business enterprise as a whole has been traditionally audited. There is no suggestion in Parvi to do this -- in fact, he teaches away from it, as noted above. The hallmarks of the applicant's claimed audit method are the steps of rigorously analyzing the validity of the IP, which is not taught by the cited references, including Parvi, and the step of issuing an opinion

certifying the result. The applicant respectfully notes that the applicant extensively distinguished his claimed method from Parvi on the basis of the claimed detailed validity analysis (see prior response to paragraphs 12-15 of the previous office action), yet despite pages and pages of the latest Office Action dealing with the certifying opinion and lexicography, nowhere does the Office Action address these distinguishing arguments.

The applicant thanks the Examiner for his generous production of hundreds of pages of Horngren in response to the applicant's point that the previously cited table of contents was insufficient to provide a basis for the examiner's representation of what Horngren said about opinions. The applicant notes, however, that the evidence produced with the office action was far from "the full version" or "complete copy" as represented in the Office Action in paragraphs 16 and 20, respectively. Conspicuously absent are ALL of the pages identified in the index as relating to "intangible assets," for example, which would arguably be some of the most relevant pages of that text. The applicant reiterates that a table of contents is not evidence of what a textbook teaches -- it is merely an indication of section headings. Nothing can be gleaned about the content itself. Nonetheless, the applicant does not challenge that basic financial accounting principles are known in the art. The burden on the Office is not to provide evidence of what the basic principles are, but rather to provide the specific suggestions of how to apply those principles in the way claimed by the applicant. No such evidence has been provided.

The section of Horngren titled "Independent Opinion," starting on page 7, discusses opinions generally but nowhere discusses issuance of an independent opinion regarding *IP assets or corresponding tangible values*. Rather, this section discloses the use of such an opinion to indicate that "consolidated financial statements" are fairly stated. Nowhere has applicant found where Horngren teaches issuing a certifying opinion with respect to an audit of *IP assets and corresponding tangible values* alone.

Thus, there is no teaching or suggestion in Horngren, Parvi, or in the prior art as a whole, to combine the teachings of Horngren and Parvi in the particular manner claimed by the applicant. The applicant claims a method for *auditing* (not for creating an initial valuation, which is what Parvi describes) IP assets (not consolidated financial statements, as taught by Horngren) that includes a detailed validity analysis and providing an opinion certifying that values derived by the applicant's audit method of *IP assets* are fairly stated. While the Office Action sees fit to cast aspersions on the level of skill in the art of the Applicant (who happens to be a CPA), the fact remains that the Examiner has failed to produce a single reference or combination of references disclosing the step of issuing *an opinion certifying that IP assets and corresponding tangible values* are fairly stated. The Parvi and Donner references may disclose auditing IP assets and calculating tangible values generally, and Horngren may disclose the step of issuing an opinion certifying consolidated financial statements, but there is no teaching or suggestion in these references or in the art as a whole to provide the specific combination claimed by the applicant.

The Office Action asserts that it would have been obvious to modify Pavri as taught by Horngren to including "issuing the report described in Parvi as part of e.g. an income statement, annual balance sheet, or annual corporate report," but nowhere does the Office Action explain why this would be so obvious. Parvi discusses valuations performed for banks or insurance companies (see p. 5), not audits pursuant to issuing financial statements. In addition to there being no evidence why this combination would be obvious, the combination falls short because Parvi fails to disclose or suggest the rigorous validity analysis claimed by the applicant, as discussed in the applicant's previous response and reiterated here.

Donner in view of Horngren

The Office Action alternatively rejects claim 1 under § 103(a) as being unpatentable over Donner in view of Horngren because it would have been obvious to modify Donner as taught by Horngren to include the income statement and balance sheet. As noted above, however, Donner fails to teach a number of aspects of the applicant's claimed method, including the rigorous analysis of validity as specifically claimed by the applicant, and the combination with Horngren, which does not discuss valuation of IP assets at all, still fails to teach or suggest each and every limitation of the claimed invention. Horngren also fails to teach or suggest a certifying opinion specific to IP assets, as discussed above.

Lexicography arguments

The Office Action discusses lexicography at length. The applicant neither disputes nor concedes any of the points raised in this section of the Office Action, except to acknowledge that the Applicant has received express notice of the Examiner's thoughts on this subject.

The applicant's objection in the previous office action was to the assertion in that action that failure to "properly traverse [the lexicography] issue . . . will be considered a desire to forego lexicography in this application." As the applicant in this response has now chosen to use the term "trademark" to replace the term "mark," to which the Office Action objected as indefinite, the applicant now arguably uses lexicography because the term "trademark" is intended to have its most expansive meaning to include all forms of IP traditionally referred to as "marks" (trademarks applied to goods, service marks, collective marks, membership marks, and certification marks) rather than the restrictive definition of "trademarks" sometimes used to refer only to marks applied to goods. Support for this lexicography can be found on page 1, lines 14-17 of the specification. Accordingly, the applicant's reservation of the right to use lexicography appears to be well-founded, to the extent that non-response to the previous Office Action on this point might have been interpreted as a relinquishment of the right to be his own lexicographer at any time in the future. At this stage of the proceeding, the applicant believes this is the only instance where any term is being used in a way that could arguably be referred to as "lexicography," but reserves the right to use other terms in such a manner in the future through amendments and to more restrictively define a term in the future, should it become apparent that such a term has been interpreted by the Office in a way that was unintended by the applicant and unrecognized at this time.

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Reply to Office Action of December 15, 2004

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**Summary**

For all of the reasons above, the applicant respectfully submits that the cited references fail to teach or suggest each and every limitation of the claim, and that the office action fails to set forth a *prima facie* case of obviousness. Accordingly, the applicant respectfully requests that the rejection be withdrawn and the application allowed.

Respectfully submitted,

  
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Ruth Curran

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